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# ENVIRONMENT AND SUSTAINABLE DEVELOPMENT: PROTECTION OF GLOBAL CLIMATE FOR PRESENT AND FUTURE GENERATIONS OF MANKIND

# PROPOSED PROGRAMME BUDGET FOR THE BIENNIUM 1996-1997

## Report of the Secretary-General

## I. INTRODUCTION

1. In its resolution 49/120 of 19 December 1994, the General Assembly, inter alia, decided to consider further the item entitled "Protection of global climate for present and future generations of mankind" at its fiftieth session, taking account of the final report of the Chairman of the Intergovernmental Negotiating Committee for a Framework Convention on Climate Change (A/50/536), as requested in paragraph 20 of General Assembly resolution 47/195, and of the report of the Conference of the Parties to the Convention on its first session. 1/

2. The General Assembly also requested the Secretary-General to report to it at its fiftieth session on the implementation of resolution 49/120 and on any possible implications arising from the report of the Conference on its first session. The present report is submitted pursuant to that request.

3. In the resolution, the General Assembly called for action by States, the Intergovernmental Negotiating Committee, the Secretary-General and the head of the interim secretariat. The first part of the present report indicates action taken in response to the resolution. The second part summarizes the substantive results of the first session of the Conference of the Parties. The third part outlines the institutional, administrative and financial implications for the United Nations of the decisions of the Conference of the Parties.

4. These implications relate to:

(a) The institutional linkage of the Convention secretariat to the United Nations Secretariat;

(b) Administrative support from the United Nations Secretariat to the Convention secretariat;

(c) Financing from the regular budget of the United Nations of the conference services needed by the Conference of the Parties and its subsidiary bodies;

(d) Transfer to the Convention of balances of extrabudgetary funds established under General Assembly resolution 45/212 of 21 December 1990;

(e) Transitional arrangements for ensuring an adequate initial cash-flow to the Convention budget.

## II. IMPLEMENTATION OF GENERAL ASSEMBLY RESOLUTION 49/120

### A. Action by States

#### 1. Status of ratifications

5. In paragraph 1 of resolution 49/120, the General Assembly welcomed the entry into force, on 21 March 1994, of the United Nations Framework Convention on Climate Change, 2/ noted with satisfaction that a large number of States and one regional economic integration organization had taken action to ratify the Convention, and called upon other States to take appropriate action to that end.

6. As of 21 September 1995, instruments of ratification, acceptance, approval or accession had been deposited by 142 States and one regional economic integration organization. An up-to-date list of all parties and signatories to the Convention indicating the respective dates of signature and of receipt of the above-mentioned instruments, where applicable, is available from the Secretariat on request.

#### 2. National communications 3/

7. Under articles 4.2 (b) and 12 of the Convention, each developed country party and each other party included in annex I shall make its initial communication to the Conference of the Parties within six months of the entry into force of the Convention for that party. The Intergovernmental Negotiating Committee agreed on guidelines for the preparation of first communications by annex I parties to promote consistency, transparency and comparability among communications. 4/

8. Communications have been received by the interim secretariat from the following 27 parties: 5/ Australia, Austria, Canada, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Japan, Liechtenstein, Monaco, Netherlands, New Zealand, Norway, Poland, Portugal, Romania, Spain, Sweden, Switzerland, United Kingdom of Great Britain and Northern Ireland and United States of America. Belgium, although not yet a party, has also submitted its communication. An overview of the national

communication of the European Community (EC) was received on 28 December 1994 as an informal submission from the Commission of the EC.

## B. Action by the Intergovernmental Negotiating Committee

9. In paragraph 2 of its resolution 49/120, the General Assembly urged the Intergovernmental Negotiating Committee to complete fully, at its eleventh session, its plan of preparatory work for the first session of the Conference of the Parties. In paragraph 3 of the resolution, the Assembly requested the Secretary-General to provide, if possible, in the week preceding the eleventh session of the Intergovernmental Negotiating Committee, all necessary services to facilitate the adequate participation of all Member States in the consultation to be undertaken by the Chairman of the Committee during that week, as agreed by the Committee at its tenth session.

10. The eleventh and final session of the Intergovernmental Negotiating Committee was held at United Nations Headquarters in New York from 6 to 17 February 1995. The session was convened in accordance with paragraphs 6 and 7 of General Assembly resolution 47/195 of 22 December 1992 and the schedule recommended by the Committee at its eighth session and confirmed at its tenth session. 6/ Consultations undertaken by the Chairman of the Committee preceded the session.

11. In accordance with its programme of work, the Intergovernmental Negotiating Committee endeavoured to advance the preparatory work for the first session of the Conference of the Parties to the Convention as much as possible. The Committee succeeded in concluding a substantial amount of work and reached consensus on nine draft decisions that were referred to the Conference for adoption. These included draft decisions on the preparation and submission of national communications from the parties included in annex I to the Convention; the review of first communications from the parties included in annex I to the Convention; first communications from parties not included in annex I to the Convention; methodological issues; the maintenance of the interim arrangements for the financial mechanism referred to in article 21, paragraph 3, of the Convention; and arrangements between the Conference of the Parties and an operating entity or entities of the financial mechanism. 7/

12. On some other subjects, the Committee reached a large measure of agreement but left some points for completion by the Conference. These subjects included: the role of the subsidiary bodies established by the Convention, including their programmes of work and calendars of meetings; guidance to the operating entity or entities of the financial mechanism on policies, programme priorities and eligibility criteria; and the designation of a permanent secretariat and arrangements for its functioning. Under the latter heading, the questions of the Convention budget and the location of the secretariat remained pending.

13. Consensus eluded the Committee on the subjects of the review of the adequacy of article 4, subparagraphs 2 (a) and (b), namely, commitments by parties included in annex I, and criteria for joint implementation. The Committee achieved some progress but referred outstanding issues to the Conference for consideration and action.

14. The Committee adopted an additional 20 recommendations, decisions and conclusions on various organizational and substantive aspects of the agenda of the Conference that were intended to facilitate the work of the Conference.

15. For a more detailed account of the work of the Intergovernmental Negotiating Committee at its eleventh session, the General Assembly is invited to turn to the report of the Committee on that session. 7/ Reference is also made to the above-mentioned report of the Chairman of the Committee (A/50/536).

## C. Action by the Secretary-General

16. In response to paragraphs 3, 5, 6 and 7 of resolution 49/120, the Secretary-General:

(a) Ensured the provision of conference services for the consultations of the Chairman of the Intergovernmental Negotiating Committee before the eleventh session of that Committee;

(b) Maintained the interim secretariat of the Convention within the programme budget for the biennium 1994-1995;

(c) Maintained the extrabudgetary funds established under paragraphs 10 and 20 of resolution 45/212 and continued in accordance with resolution 47/195;

(d) Ensured the provision of conference services to the sessions of the subsidiary bodies of the Conference of the Parties held or to be held in 1995.

## D. Activities of the interim secretariat

17. In the period covered by this report, the interim secretariat continued to focus on providing substantive and organizational services to the work of the Intergovernmental Negotiating Committee, as well as the Conference of the Parties and its subsidiary bodies. The secretariat also has been requested by the Intergovernmental Negotiating Committee and the Conference of the Parties to carry out additional tasks. Of particular significance among these are the facilitation of technical and financial support for developing country parties, as required by the Convention and called for by the General Assembly in its resolution 47/195, as well as the role played by the secretariat in coordinating the in-depth reviews of the national communications received from annex I parties.

### 1. Technical and financial support

18. By paragraph 4 of its resolution 49/120, the General Assembly requested the head of the interim secretariat to continue to promote cooperation and coordination with other competent entities, including those of the United Nations system, in support of the effective implementation of the Convention, aimed in particular at facilitating timely financial and technical assistance to

developing country parties to enable them to comply with their commitments under the Convention.

19. Activities undertaken by the interim secretariat in the field of technical cooperation come under the umbrella of what is referred to as CC:COPE. CC:COPE consists of two main programme elements: CC:INFO, the Climate Convention Information Exchange Programme; and CC:TRAIN, the Climate Convention Training Programme. Other activities carried out within the CC:COPE programme include the Informal Consultative Forum on Experience with Climate Change Project Development, Implementation and Follow-up, convened in cooperation with the secretariat of the Global Environment Facility (GEF).

20. Started in 1993, CC:INFO is a joint project of the interim secretariat and the United Nations Environment Programme (UNEP) and operates in cooperation with a number of other organizations. CC:INFO is an information exchange tool. Its basic purpose is to facilitate the matching, on the one hand, of country needs for resources for the implementation of activities on climate change and, on the other hand, the availability of resources for such activities in other countries and in international organizations. To date, CC:INFO has published two reports compiling relevant information on what activities are being implemented by whom and where, sources of funding available for specific types of projects and proposals for activities. This experience gained in the collection and dissemination of information could be used in support of new activities requested by the Conference of the Parties related to technology transfer and to a reporting framework for activities implemented jointly.

21. CC:TRAIN is a United Nations Development Programme (UNDP) project, to be financed by GEF and executed and implemented by the United Nations Institute for Training and Research (UNITAR), in close cooperation with the Convention secretariat. It is aimed at promoting policy dialogue at the national level and building national capacities for the implementation of the Convention.

### 2. Review of national communications of annex I parties

22. The review process of national communications of annex I parties, envisaged in articles 4.2 (b) and 12 of the Convention and elaborated upon by both the Committee and the Conference of the Parties, can be viewed as a three-phase exercise - compilation and synthesis, in-depth review and review by the subsidiary bodies and the Conference.

23. As regards the first phase, at its tenth session, the Committee requested the interim secretariat to prepare a compilation and synthesis of the national communications for consideration at its eleventh session and a subsequent submission to the first session of the Conference. In carrying out this mandate, the secretariat was assisted by experts it had selected from nominations submitted by Governments and intergovernmental organizations. A number of consultants were also engaged to strengthen the secretariat's present capacity and to obtain an appropriate geographical balance in the sources of expertise. The resulting document 8/ submitted by the secretariat to the Committee at its eleventh session contained information regarding 15 parties. The document provides an overview of the implementation of the Convention by

reporting parties, noting trends and patterns, areas of convergence and divergence, data gaps and other appropriate conclusions, including the overall effects of policies and measures.

24. At present, the interim secretariat is engaged in the second phase of the process, the in-depth review of each communication, pursuant to a decision of the Conference of the Parties described in paragraph 27 below. According to the decision, the review of the information contained in national communications is to be done in a facilitative, non-confrontational, open and transparent manner to ensure that the Conference of the Parties has accurate, consistent and relevant information in the discharge of its responsibilities. Teams of experts from developed and developing parties alike, with assistance from intergovernmental organizations and under the coordination of the secretariat, have, as of 21 September 1995, conducted reviews in Australia, Canada, the Czech Republic, Denmark, Japan, New Zealand, Sweden, Switzerland and the United States of America. Also scheduled for the remainder of 1995 are in-depth reviews in Austria, Germany, Ireland, the Netherlands, Norway, Spain and the United Kingdom of Great Britain and Northern Ireland. The reviews will continue through 1996, leading to reports on individual communications and a revised compilation and synthesis for consideration by the subsidiary bodies and the Conference of the Parties at its second session.

## III. MAIN SUBSTANTIVE DECISIONS OF THE CONFERENCE OF THE PARTIES TO THE CONVENTION AT ITS FIRST SESSION

25. The first session of the Conference of the Parties to the United Nations Framework Convention on Climate Change was held at Berlin, Germany, from 28 March to 7 April 1995. The Conference was attended by 116 out of the 118 parties at the time, 53 observer States and hundreds of other observers from the United Nations system and from intergovernmental and non-governmental organizations. The Conference adopted by consensus 21 decisions aimed at setting in motion the processes needed to promote the effective implementation of the Convention. 1/

### A. The "Berlin Mandate": strengthening the commitments of annex I parties

26. Under the item on the review of the adequacy of article 4, subparagraphs 2 (a) and (b) of the Convention, which contains specific commitments by developed country parties and other parties included in annex I to the Convention, the Conference concluded that those subparagraphs are not adequate. Thus the Conference agreed by consensus to begin a process to enable it to take appropriate action for the period beyond 2000, including the strengthening of the commitments of annex I parties, through the adoption of a protocol or another legal instrument. 9/ Termed the "Berlin Mandate", the process will be carried out by an open-ended ad hoc group of parties and will aim, inter alia, at elaborating policies and measures for annex I parties, as well as setting quantified limitation and reduction objectives within specified time-frames for their emissions by sources and removal by sinks of greenhouse gases not controlled by the Montreal Protocol on Substances that Deplete the

Ozone Layer. The process will not introduce any new commitments for parties not included in annex I, i.e. developing country parties, but will reaffirm their existing commitments in article 4, paragraph 1, and continue to advance the implementation of these commitments. Furthermore, the process will include in its early stages a phase of policy analysis and assessment. Pursuant to the decision, the protocol proposal submitted on behalf of the Alliance of Small Island States to the Conference, in accordance with article 17 of the Convention, along with other proposals and pertinent documents, should be included for consideration in the process. The mandate calls for the process to begin without delay and for the work to be completed in 1997, in time to allow for the adoption of the relevant results at the third session of the Conference of the Parties. Accordingly, the first session of the Ad Hoc Group on the Berlin Mandate was held at Geneva from 21 to 25 August and focused on organizing its work and identifying inputs required from parties, subsidiary bodies and the secretariat. Its second session is scheduled for 30 October to 3 November 1995, also at Geneva.

## B. The communication and review process

27. The Conference also adopted a decision on the review of first communications from the parties included in annex I to the Convention. 10/ As decided by the Conference, each such national communication should be subject to an in-depth review as soon as possible, but within one year of receipt by the secretariat of the Convention, with the aim of completion by the second session of the Conference of the Parties (see para. 24 above). As regards first communications from Parties not included in annex I to the Convention, the Conference requested the subsidiary bodies to develop, for consideration by the Conference of the Parties at its second session, recommendations on guidelines for the preparation of such communications and proposals for the process to consider these communications in accordance with article 10 of the Convention. 11/ First communications from non-annex I parties start to fall due as from March 1997, in accordance with the provisions of article 12, paragraph 5, of the Convention.

## C. Activities implemented jointly

28. Recalling that, in accordance with article 4.2 (d) of the Convention, the Conference is required to take decisions regarding criteria for joint implementation as indicated in article 4.2 (a), the Conference decided to establish a pilot phase for activities implemented jointly among annex I parties and, on a voluntary basis, with non-annex I parties that so request. 12/ According to the decision, activities implemented jointly in no way modify the commitments of each party under the Convention; the financing of activities implemented jointly shall be additional to the financial obligations of parties included in annex II to the Convention 13/ within the framework of the financial mechanism, as well as to current official development assistance flows; and no credits shall accrue to any party as a result of greenhouse gas emissions reduced or sequestered during the pilot phase from activities implemented jointly. The Conference further decided that the Subsidiary Body for Scientific and Technological Advice would, in coordination with the Subsidiary Body for

Implementation, establish a framework for reporting on the possible global benefits and impacts, as well as any practical experience gained or technical difficulties encountered, in activities implemented jointly under the pilot phase. The two subsidiary bodies were also requested to prepare, with the assistance of the secretariat, a synthesis report for consideration by the Conference of the Parties at each annual session. As the Conference reviews the pilot phase on a yearly basis, it shall take into account the need for a comprehensive review of the phase, no later than the end of the present decade, in order to take a conclusive decision on the pilot phase and the progression beyond that.

## D. Operation of the financial mechanism

29. The Conference of the Parties further decided that the restructured Global Environment Facility (GEF) should continue, on an interim basis, to be the international entity entrusted with the operation of the financial mechanism referred to in article 11 of the Convention. In accordance with article 11.4 of the Convention, the Conference will review this mechanism within four years and take appropriate measures, including a determination of the definitive status of GEF in the context of the Convention. 14/ The Conference adopted two further decisions, one on initial guidance to the operating entity or entities of the financial mechanism on policies, programme priorities and eligibility criteria, and the other on an operational strategy and initial activities in the field of climate change of GEF. 15/

## E. Transfer of technology

30. On the question of transfer of technology, the Conference adopted a decision by which it requested the secretariat to prepare an itemized progress report on concrete measures taken by annex II parties with respect to their commitments related to the transfer of environmentally sound technologies and the know-how necessary to mitigate and facilitate adequate adaptation to climate change. The secretariat was further requested to collect information from relevant sources such as the Commission on Sustainable Development, United Nations agencies, the Intergovernmental Panel on Climate Change and the Subsidiary Body for Scientific and Technological Advice, and to prepare an inventory and assessment of those technologies and know-how and an elaboration of the terms under which they could be transferred. In implementing these responsibilities, the secretariat is to take the advice of the Subsidiary Body for Scientific and Technological Advice and to coordinate this matter with the relevant United Nations agencies and other organizations and institutions. The resulting documents are to be submitted, through the Subsidiary Body for Scientific and Technological Advice, to the Conference of the Parties at its second session and are to be updated at regular intervals of no more than a year for consideration by the Conference at each of its sessions. Annex II parties, as well as other parties, were urged to include in their communications the relevant information to enable the secretariat to carry out its mandate. 16/

### F. Other decisions

31. The Conference of the Parties also adopted decisions on the subsidiary bodies established by the Convention, outlining the functions to be carried out by each body and the tasks they each should accomplish between the first and second sessions of the Conference of the Parties; on the report on implementation of the Convention which the Conference of the Parties is to consider, adopt and publish on a regular basis in accordance with article 7.2 (f); on arrangements between the Conference of the Parties and the operating entity or entities of the financial mechanism; and on the establishment of a multilateral consultative process for the resolution of questions regarding the implementation of the Convention. 17/

32. The General Assembly is invited to turn to the final report of the Conference of the Parties on its first session for a comprehensive account of the proceedings of and action taken by the Conference. 1/

## IV. INSTITUTIONAL, ADMINISTRATIVE AND FINANCIAL IMPLICATIONS OF THE DECISIONS OF THE CONFERENCE OF THE PARTIES

33. A number of institutional, administrative and financial implications flow from the decisions of the Conference of the Parties regarding the financing of the Convention process outside the United Nations programme budget and the functioning of the Convention secretariat under the authority of the Secretary-General as chief administrative officer of the Organization. The relevant decisions of the Conference of the Parties are those on the institutional linkage of the Convention secretariat to the United Nations; the financial procedures for the Conference of the Parties, its subsidiary bodies and its secretariat, including an indicative scale of contributions by parties to the Convention budget; the Convention budget; and other voluntary funding for the biennium 1996-1997. 18/ The decision to relocate the Convention secretariat to Bonn, in response to an offer by the Government of Germany, should also be borne in mind. 19/ Aspects of these decisions that have a direct bearing on the relationship between the Convention secretariat and the United Nations are discussed in this section.

### A. Institutional linkage

34. The Conference of the Parties addressed the question of the institutional linkage of the Convention secretariat to the United Nations on the basis of the advice of the Secretary-General, contained in his note of 14 November 1994 20/ and the related conclusions of the Intergovernmental Negotiating Committee at its eleventh session. 21/ In that note, the Secretary-General suggested that the general principles of the linkage of the Convention secretariat to the United Nations could be recorded in reciprocal decisions of the Conference and the General Assembly. Accordingly, in its decision 14/CP.1, the Conference decided that the Convention secretariat should be institutionally linked to the United Nations, while not being fully integrated in the work programme and management structure of any particular department or programme. The Conference further decided to review the functioning of the institutional linkage of the

Convention secretariat to the United Nations, not later than 31 December 1999, in consultation with the Secretary-General, with a view to making such modifications as may be considered desirable by both parties. The General Assembly is invited to adopt an appropriate decision endorsing this institutional linkage and providing for its review.

35. In the context of the institutional arrangements for the Convention secretariat, the Conference expressed appreciation for the generous support provided to the interim secretariat by the United Nations, especially the Department for Policy Coordination and Sustainable Development, UNDP and UNEP, as well as the World Meteorological Organization (WMO). It invited the Executive Secretary to pursue further the provision of such support in the context of the understanding on support for the United Nations Framework Convention on Climate Change and cooperation with the Convention secretariat. 22/ These arrangements provide for the continued support of the Department for Policy Coordination and Sustainable Development, UNDP and UNEP for the implementation of the Convention, in cooperation with the Convention secretariat, and encourage support and cooperation by other United Nations bodies and specialized agencies.

## B. Administrative support

36. In its decision 14/CP.1, on institutional linkage, the Conference also provisionally accepted the arrangements proposed by the Secretary-General for administrative support to the Convention secretariat, as contained in his (second) note of 5 April 1995. 23/ It further requested the Executive Secretary of the interim secretariat to pursue the question of the allotment of overhead to defray administrative expenses of the Convention secretariat and to report thereon to the Subsidiary Body for Implementation. In his (earlier) note of 14 November 1994, the Secretary-General had indicated, in connection with the overhead charge for administering the trust funds in support of the Convention, that "as is normally the case, some of the overhead charge may be allotted to the Convention secretariat to defray administrative expenses". 24/

37. Following consultations on this matter and taking into account the related conclusion of the Subsidiary Body for Implementation on this matter, 25/ the Secretary-General proposes to institute a transitional arrangement for administrative support to the Convention secretariat for the first two years of its existence, namely, from 1 January 1996 to 31 December 1997. During this period, a programme support charge of 13 per cent would be levied on the funds of the Convention, as indicated in the Secretary-General's note of 5 April 1995 and provided for in the approved Convention budget. Drawing on the proceeds of this charge, the United Nations Secretariat, through the Department of Administration and Management, will provide full administrative support services to the Convention secretariat, including administrative staff. The services provided will evolve to cover the administrative needs resulting from the decentralized functioning of the Convention secretariat at Bonn.

38. Once this transitional arrangement is in operation, a review will be undertaken by the Department of Administration and Management and the Convention secretariat to ascertain the way in which administrative functions could best be

shared on a long-term basis between the central United Nations services and the Convention secretariat at Bonn. This review will also assess the adequacy of the programme support charge in relation to the costs of administrative services provided by the United Nations to the Convention secretariat. The findings of this review will be reported to the General Assembly and to the Conference of the Parties in 1997 and reflected in the proposed Convention budget for 1998-1999.

## C. Conference services

39. In its decision 14/CP.1, the Conference of the Parties further requested the General Assembly, bearing in mind the institutional linkage of the Convention secretariat to the United Nations and the large number of States that are parties to the Convention, to decide to finance from the regular programme budget of the United Nations the conference-servicing costs arising from sessions of the Conference of the Parties and its subsidiary bodies for the duration of the institutional linkage approved by the Conference and described in paragraph 34 above. In this connection, it will be recalled that, in its resolution 49/120, the Assembly decided to include in the calendar of conferences and meetings for 1994-1995 the sessions of the subsidiary bodies of the Conference of the Parties that the Conference may need to convene in 1995. Pending consideration of this request by the Assembly, provision for conference-servicing costs has been excluded from the Convention budget for 1996-1997 approved by the Conference of the Parties in its decision 17/CP.1.

40. At the time of the first session of the Conference of the Parties, it was estimated that the Conference and its subsidiary bodies would require full conference-servicing facilities for six weeks of meetings in 1996 and four weeks in 1997, making a total of 10 weeks for the biennium. Subsequently, in the light of the workload arising from the decisions of the Conference of the Parties, notably the decision to launch negotiations on a protocol or other legal instrument, the Subsidiary Body for Implementation recommended that it would be prudent to provide for a further two weeks of meetings in 1997, raising the total for the biennium to 12 weeks. 26/

41. The Secretary-General hereby conveys to the General Assembly this request from the Conference of the Parties, as supplemented by the Subsidiary Body for Implementation, and invites the Assembly to take action thereon at its fiftieth session. It should be noted that the proposed United Nations programme budget for 1996-1997 does not provide for conference services for the sessions of the Conference of the Parties and its subsidiary bodies. An estimate of the conference-servicing costs arising from the request of the Conference of the Parties will be contained in an addendum to the present report.

## D. Financial procedures: transfer of balances of extrabudgetary funds

42. The Conference also adopted, in its decision 15/CP.1, the financial procedures for the Conference of the Parties, its subsidiary bodies and its

secretariat, and adopted an indicative scale as the basis for contributions by the parties to the Convention budget for each of the years 1996 and 1997.

43. In accordance with the financial procedures, the budget of the Convention is to be prepared by the head of the Convention secretariat and adopted by the Conference of the Parties. The resources of the Conference of the Parties shall comprise the contributions made each year by parties on the basis of an indicative scale, other voluntary contributions made by parties, the uncommitted balance of appropriations from previous financial periods and miscellaneous income. Initially, two funds shall be established by the Secretary-General and managed by the head of the Convention secretariat to maintain the resources of the Conference of the Parties: a general fund to cover all expenditures under the core administrative budget of the Convention, to which parties will contribute according to an approved indicative scale, and a special fund to support the participation in the Conference of the Parties and its subsidiary bodies of the representatives of developing country parties, in particular least developed or small island developing countries, and of other parties with economies in transition. Provision is also made for other funds to be established by the Secretary-General subject to the approval of the Conference of the Parties. One such fund is envisaged to finance activities supplementary to those provided for in the core budget. 27/

44. With regard to these funds, it should be recalled that in his note of 5 April 1995, on administrative support for the Convention secretariat, the Secretary-General referred to the possible transfer of the balance of the trust funds established under General Assembly resolution 45/212, paragraphs 10 and 20, to the new trust funds to be established for the Conference of the Parties. The transfer of balances remaining at 31 December 1995 was anticipated in decision 17/CP.1 of the Conference of the Parties on the Convention budget. Accordingly, the Secretary-General would intend to transfer the end-1995 balance in the fund established under resolution 45/212, paragraph 10, into the new special fund for participation, and the end-1995 balance in the fund established under resolution 45/212, paragraph 20, into the fund to be established for all expenditures under the core administrative budget of the Convention.

## E. Transitional financial arrangements

45. The initial phase of the new secretariat arrangements for the Convention and the relocation of the secretariat to Bonn are bound to give rise to problems of transition. The competent services of the United Nations Secretariat will be available to help the Convention secretariat to overcome these problems. However, the question of the financial transition merits special consideration.

46. The Convention budget approved by the Conference of the Parties for the biennium 1996-1997 will take effect on 1 January 1996. In this connection, the Secretary-General has taken note of paragraph 8 of the financial procedures for the Conference of the Parties which provides that each party shall, prior to 1 January of each year, inform the head of the Convention secretariat of the contribution it intends to make that year and of the projected timing of that contribution. Paragraph 8 further provides that contributions are due on 1 January of each calendar year.

47. Given that provisions for the interim secretariat within the United Nations programme budget expire at the end of the current biennium, and considering that some parties may need additional time to fulfil the necessary formalities that will permit them to make their first contributions to the Convention budget, the Convention budget will be faced with some initial cash-flow problems unless parties make contributions in advance of 1 January 1996.

### F. Appointment of the head of the Convention secretariat

48. Decision 14/CP.1 also contains a request from the Conference to the Secretary-General to appoint, after consultation with the Conference of the Parties through its Bureau, the head of the Convention secretariat, with the title of Executive Secretary, for a three-year term of office starting on 1 January 1996. In this connection, the Conference requested the President of the Conference of the Parties to consult with the Secretary-General on the level of remuneration of the head of the Convention secretariat, taking into account the proposals made during the consideration of the Convention budget, and subject to review at its third session. Consultations on these matters are under way.

49. As indicated by the Secretary-General in his advice of 5 April 1995, 23/ the head of the Convention secretariat shall be accountable to the Conference of the Parties for the implementation of the policies and programme of work approved by the Conference and to the Secretary-General as the chief administrative officer of the Organization, including for the observance of the Financial and Staff Regulations and Rules of the United Nations. In carrying out the latter responsibilities the head of the Convention secretariat will report to the Secretary-General on administrative and financial issues through the Under-Secretary-General for Administration and Management, and through the Under-Secretary-General for Policy Coordination and Sustainable Development on other issues.

## IV. CONCLUSION

50. At a time when sustainable development is more than ever a priority of the international community, it is rewarding to note how rapidly the global debate on the question of climate change has progressed. It was less than a decade ago that the issue of global warming and its impact on the climate was placed on the international agenda in the General Assembly. Only three years passed between the time that the negotiations first started and that the United Nations Framework Convention on Climate Change entered into force. Now, the Conference of the Parties has established a deadline of little more than two years for the adoption of a new legal instrument aimed at strengthening the Convention. The momentum must not be lost.

51. To that end, it is hoped that the requests for support for the United Nations Framework Convention on Climate Change that have been addressed to the General Assembly through this report will find a positive response.

Notes

1/ FCCC/CP/1995/7 and Add.1.

2/ A/AC.237/18 (Part II)/Add.1 and Corr.1, annex I.

3/ Includes communications from the regional economic integration organization included in annex I to the Convention.

4/ A/AC.237/55, annex I, decision 9/2.

5/ See A/AC.237/81 and Corr.1, FCCC/1995/Inf.3 and Corr.1 and FCCC/1995/Inf.4 and Corr.1 and 2.

6/ A/AC.237/41, para. 119 and A/AC.237/76, para. 21.

7/ See A/AC.237/91 and Add.1.

8/ A/AC.237/81 and Corr.1.

9/ FCCC/CP/1995/7/Add.1, decision 1/CP.1.

10/ Ibid., decision 2/CP.1.

11/ Ibid., decision 8/CP.1.

12/ Ibid., decision 5/CP.1.

13/ Annex II includes parties members of the Organization for Economic Cooperation and Development at the time of the conclusion of negotiations on the Convention and EC, a regional economic integration organization party to the Convention.

14/ FCCC/CP/1995/7/Add.1, decision 9/CP.1.

15/ Ibid., decisions 11/CP.1 and 12/CP.1.

16/ Ibid., decision 13/CP.1.

17/ Ibid., decisions 6/CP.1, 7/CP.1, 10/CP.1 and 20/CP.1.

18/ Ibid., decisions 14/CP.1, 15/CP.1, 17/CP.1 and 18/CP.1.

19/ Ibid., decision 16/CP.1.

20/ A/AC.237/79/Add.1, annex III.

21/ A/AC.237/91/Add.1, sect. II, conclusion (i).

22/ A/AC.237/79/Add.6.

23/ FCCC/CP/1995/5/Add.4, annex, appendix.

24/ A/AC.237/79/Add.1, annex III, para. 15.

25/ FCCC/SBI/1995/5, para. 29 (e).

26/ FCCC/SBI/1995/5, para. 29 (d).

27/ See FCCC/CP/1995/7/Add.1, decision 18/CP.1.

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